

## Tax relief, help for small businesses is way to improve economy

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By U.S. Rep. Joe Wilson

Guest Columnist, The Island Packet

This week, Congress will vote on a massive \$825 billion spending package introduced by House Speaker Nancy Pelosi and the House Democratic leadership. In an all too familiar fashion, Democrats are citing the current economic recession as an instance that demands billions in new government spending.

On behalf of millions of Americans who believe this would place an unacceptable financial burden on future generations or produce hyper-inflation, the Republican Study Committee -- a group of conservative lawmakers in the House of Representatives -- recently unveiled our set of commonsense, conservative solutions. The Economic Recovery and Middle-Class Tax Relief Act is a sensible, fiscally responsible stimulus package that will target economic relief to the individuals, entrepreneurs and businesses that create jobs and grow our nation's prosperity.

The primary tenet of the Republican Study Committee economic recovery package is immediate and substantial tax relief for American families. An across-the-board 5 percent cut in income tax is a timely and direct way to keep money in the economy and in the pockets of hard-working Americans. When coupled with a permanent increase in the child tax credit from \$1,000 to \$5,000, a repeal of the antiquated Alternative Minimum Tax, and a 50 percent increase in the tax deduction for student loans and education expenses, American families will experience firsthand the benefits of this economic stimulus.

The American people also would be far better served if Congress focused its efforts on incentivizing job creation in the private sector rather than the government. The House Democratic proposal creates 32 new government programs at a cost of \$136 billion and expands 60 current programs at a cost of \$76 billion in fiscal year 2009 alone. This is a staggering amount of money that will result in thousands of spending priorities paid for by the American taxpayer today and in years to come -- long after the recession has ended.

It is far more fiscally responsible to create jobs by helping small businesses grow and create opportunity in the private sector. This is a proven method of stimulating the economy, going as far back as President John F. Kennedy, who cut taxes to grow the economy. A reduction in the corporate tax rate, a permanent authorization of the research and development tax credit and a simplification of the capital gains tax would provide additional relief to American companies. But more importantly, this stimulus package would allow companies the opportunity to expense the costs of assets they purchase while expanding and modernizing their operations. When businesses have the means and the incentive to grow, they will put more Americans to work.

Creating jobs is not, unfortunately, the primary pursuit of the House Democratic proposal. Rather than focus on relief for

individuals and small businesses, their proposal spends billions of taxpayer dollars on non-emergency items. Included in this bill is \$200 million for improvements along the National Mall, \$3 billion for a prevention and wellness fund, and \$650 million for the federal digital TV coupon program. These are just a few clear examples of how the eagerness to borrow and spend has outweighed efforts to craft a commonsense economic stimulus. It is even more telling that only 13 percent of new spending in the House Democratic package actually would go toward infrastructure projects.

We should not forget that the American people were told early on that this would be a job-creating stimulus package that would drag the economy out of recession by putting Americans to work fixing roads and bridges. Now we learn that according to the Congressional Budget Office, a majority of infrastructure spending in this bill will not occur until after 2010. When economists are predicting the recession most likely will have subsided by then, why do we want to continue spending hundreds of billions more in so-called stimulus?

President Barack Obama has called for quick and decisive action. The fiscally responsible tax relief and assistance to small businesses in the Economic Recovery and Middle-Class Tax Relief Act are exactly the type of solutions America needs in this current economic crisis.